



## Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee

### Programs

#### Mission

The Utah Governor's Office of Energy Development (OED) advances the Governor's energy vision, implements state energy policy and enhances Utah's energy infrastructure, technology and workforce to provide more affordable, reliable and cleaner energy options for Utah households and businesses.

The energy sector underpins Utah's economic success and quality of life. Informed, forward-looking energy policy decisions and well-run state energy programs are key pieces of Utah's successful formula. Despite working with a limited budget and staff, OED successfully administers several technical tax incentives, U.S. Department of Energy-funded programs and represents Utah's interests in policy discussions across the region.

Private Investment Leveraged for Every \$1 in Renewable Energy System Tax Credit Issued		
2017	2018	2019
\$28	\$39	\$33

OED also plays a critical role in enhancing Utahns quality of life by catalyzing infrastructure development and improving air quality through Tier 3 fuel. The High Cost Infrastructure Tax Credit (HCITC) program, administered by OED, was created in 2016 to incentivize significant private investment in infrastructure to expand or create new industrial, mining, manufacturing or agriculture activity in Utah.

Since 2017, 14 infrastructure projects have been authorized, including three refinery upgrades for the production of Tier 3 fuel. Total private investment associated with HCITC projects is \$2.73 billion, with \$1.69 billion occurring in rural Utah.

### Performance

OED performance measures align with statutory requirements in 63M-4-301 and 63M-4-402. They demonstrate the importance and impact of OED programs on individuals, businesses and the broader economy.

#### Private Investment Leveraged

Modest incentives, coupled with a positive policy platform are producing robust net benefits for the state. There is a relationship between OED-administered incentives and the unique types and amounts of investments in infrastructure and energy development occurring in Utah.

#### Constituents Directly Educated

OED has developed key partnerships, e.g., Utah Science Teachers Association, STEM Action Center and



private industry, to expand our reach and deliver the benefits of comprehensive energy education to constituents.

### Percent of annual objectives achieved in U.S. D.O.E.-funded programs

OED advances Utah priorities in education, energy efficiency, energy resilience, renewable energy and emerging technologies through annual projects funded by the U.S. Department of Energy. Progress is reported quarterly. Regular and ongoing collaboration with state energy officials throughout the U.S. advances best practices and innovative approaches to complex energy challenges.

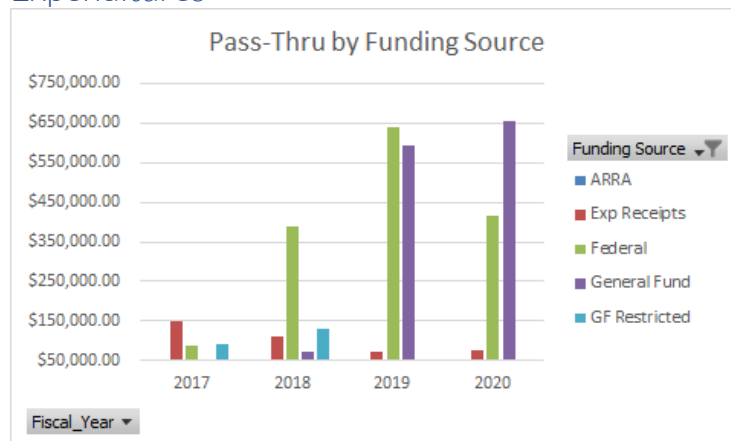
## Funding

### OED Fiscal Year '22 Base Budget

- General Fund: 39%
- Beginning Non-Lapsing: 30%
- Federal Funds: 20%
- ARRA: 6%
- Expendable Receipts: 4%
- Dedicated Credits: 1%

Efforts to develop new funding sources have resulted in non-federal grants and fees related to OED's tax credit programs which combined make up 5% of OED's base budget. Major revenue sources include the General Fund, Federal Funds, and Beginning Non-Lapsing which includes a \$1 million pass-thru appropriation for an isotopes research center.

### Expenditures



Pass-thru expenditures have increased significantly since 2017. These projects require considerable monitoring of contract deliverables and contractor performance and rarely provide funding for such.

OED's commitment to delivering high value and continuous improvement is reflected in the FTE trends over the same period.



OED FTEs Since 2017			
2017	2018	2019	2020
13	13	16	15

## Future

OED achieves continual improvement in efficiency and effectiveness through the following:

1. Ongoing staff performance management. Each OED position has been benchmarked with specific goals, critical objectives and activities that lead to achievement of critical objectives. Performance is evaluated, tracked and reported monthly.
2. Automation of tax credit programs.

Significant U.S. Department of Energy investment has the potential to create opportunities for emerging technologies in energy and energy storage over the next three to five years. OED's technical expertise will be critical to deploying these funds in strategic and efficient ways.

Also, in the spirit of One Utah, OED will be working with our sister agencies to maximize operational efficiencies and public services. OED working to tear down existing silos across state agencies to ensure that the people of Utah and the stakeholders in and around the energy sector have trust in the way that government is being delivered.